THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) The Election Commission has informed that it has received and is still receiving in large number of complaints of violation of model code of conduct by means of letters, telegrams, telax, fax messages and on telephone and it had not been possible for it to compile the details of all these complaints.

(c) The Election Commission has informed that no repoll had been ordered for violation of model code of conduct, though in one case relating to 62—Satna Assembly constituency in Madhya Pradesh the original poll itself has been postponed due to such violation.

(d) The Commission has informed that it is strictly enforcing the model code of conduct.

Raising of holding by MNCs

2040. SRI CHATURANAN MISHRA :
SHRI N. E. BALRAM :

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that 34 MNCs have already raised their holdings to 51 per cent or more and majority of them have effected the hikes at a massive discount and 24 more MNCs are expected to do the same on the coming months ;

(b) if so, whether Government favour this system of hiking share-holdings at heavy discount, if not, what action Government contemplate in this regard;

(c) the reasons for which foreign partners in companies manufacturing Soap, Tea or Cosmatics are allowed to have majority equity ;

(d) whether Government propose to issue new instructions to Financial Institutions to protect the interest of small share-holders and see that effective corporate democracy is restored ; and

(e) whether Government differentiate between stock issues by Indian and foreign promoters and give more privileges to foreign promoters ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) Section 81 (IA) of the Companies Act, 1956 empowers a company to issue further shares to any person (whether any existing shareholders or other person, in any manner whatsoever if a special resolution to that effect is passed by the company in general meeting. Under the extant provisions, preferential allotemnt can be made to any person including 9 segment of existing shareholders on such price as may be approved by the shareholders in the general meeting. Several instances have come to the notice of the Government where Indian companies with foreign shareholding have increased their stake by issue of further shares to their principal abroad at a nominal premium below the market price after passing special resolution.

(c) The New Industrial Policy announced by the Government in July, 1991, *inter alia*, envisages allowing direct foreign investment upto 51% in Indian companies on selective basis.

(d) and (e) No, Sir.

De-limitation of constituencies

2041. SHRI V. HANUMANTHA RAO : Will the PRIME MINISTER be pleased to state :

(a) whether there is any proposal under Government's consideration to carryout De-Limitation of various Constituencies which have grown too large due to migration of population ;

(b) whether it is a fact that necessary legislation has been formulated ;

(c) if so, what are the reasons for delay in passing a legislation in this regard ; and

(d Whether the States practicing family welfare programmes would be given any benefit in the matter of allotment of number of Constituencies to Parliament ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) to (d) The Constitution